

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re : Chapter 11
SEARS HOLDINGS CORPORATION, : : Case No. 18-23538 (RDD)
et al., : :
Debtors¹. : (Jointly Administered)
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**SUPPLEMENTAL DECLARATION OF MATTHEW DIAZ IN SUPPORT OF THE
APPLICATION FOR ENTRY OF AN ORDER AUTHORIZING THE RETENTION AND
EMPLOYMENT OF FTI CONSULTING, INC. AS FINANCIAL ADVISOR TO THE
OFFICIAL COMMITTEE OF UNSECURED CREDITORS
NUNC PRO TUNC TO OCTOBER 25, 2018**

Pursuant to 28 U.S.C. § 1746, Matthew Diaz declares as follows:

1. I am a Senior Managing Director with FTI Consulting, Inc. (“FTI”), an
international consulting firm. I submit this Declaration on behalf of FTI (the “Supplemental”

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Declaration”)² to supplement the prior declarations of Samuel E. Star (the “Original Declarations”) that was submitted in connection with FTI’s retention in this Chapter 11 case. *See* Docket Numbers 1074, 2577, and 6334. Except as otherwise noted,³ I have personal knowledge of the matters set forth herein.

2. On December 6, 2018, the Official Committee of Unsecured Creditors (the “Creditors’ Committee”) of the Sears Holdings Corporation and its affiliated debtors and debtors in possession (collectively, the “Debtors”), filed an application for entry of an order authorizing the Creditors’ Committee to retain and employ FTI, as its financial advisor in connection with the Debtors’ chapter 11 cases, nunc pro tunc to October 25, 2018 (the “Application”).⁴ In support of the Application, FTI filed the Original Declarations executed by Samuel E. Star in accordance with the applicable sections of the Bankruptcy Code.

3. Certain defendants in the adversary proceeding *Sears Holdings Corp., et al. v. Edward S. Lampert, et al.*, Adv. Proc. No. 19-08250 (RDD) (Bankr. S.D.N.Y.) (the “Adversary Proceeding”) are in the process of retaining Compass Lexecon to provide consulting and/or other expert services with respect to the Adversary Proceeding. It is possible that Compass Lexecon will be asked to provide support for one or more testifying experts retained by certain Defendants in the Adversary Proceeding, and it is also possible that one or more officers or employees of Compass Lexecon may be retained to be such testifying experts.

4. Compass Lexecon is a separate legal entity that is managed and operated distinctly from FTI. Consistent with paragraph 9 of the Original Star Declaration, no

² Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Application.

³ Certain of the disclosures herein relate to matters within the personal knowledge of other professionals at FTI and are based on information provided by them.

confidential information obtained or generated by FTI in connection with its work for the Creditors' Committee in these Chapter 11 cases has been or will be shared with Compass Lexecon and members of the Compass Lexecon team will abide by FTI's ethical wall procedures to protect such information. *See* Docket Number 1074 at Ex. B ¶ 9. Similarly, no confidential information obtained or generated by Compass Lexecon in connection with its work for the Defendants has been or will be shared with FTI.

5. In that regard, Compass Lexecon and FTI will continue to utilize separate computer, email, and record keeping systems. Personnel employed by Compass Lexecon will have no access to any FTI computer, email, or record keeping systems related to these chapter 11 cases, and personnel employed by FTI will have no access to any Compass Lexecon computer, email, or record keeping systems related to the Adversary Proceeding. Further, no personnel employed by FTI who has worked on any matter for the Creditors Committee has worked or will work with Compass Lexecon in connection with the Adversary Proceeding.

[signature page follows]

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 1st day of September, 2020

/s/ Matthew Diaz
Matthew Diaz